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Portugal: Issues Soares and Eanes May Wish to Discuss

Summary

Bilateral relations with Portugal are good, and there are few controversial issues. President Eanes and Prime Minister Soares will want to use President Reagan's visit to show that Portugal is a respected and important ally. Both will likely be supportive of Washington's views on Central America, SDI, and the Geneva arms talks. Eanes has a slightly different view than the US of southern African issues. Bilateral concerns are likely to focus on requests for more military aid and private investment, and a plea to revoke the US request for voluntary restraints on textile exports. [redacted]

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Defense-Related Issues

Portugal is a strong and consistent supporter of US and NATO efforts to improve Western defense, and has cooperated fully with the United States on bilateral issues. It has permitted military use of Portuguese facilities and authorized Air Force overflights and landings for NATO and non-NATO operations. Portugal is willing to do more, but will press for military

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This typescript was prepared [redacted] in the Office of European Analysis. Questions can be directed to the Chief, Western European Division, [redacted]

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assistance in compensation. Economic constraints prevent Portugal from modernizing its armed forces without significant infusions of Allied assistance. [redacted]

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Prime Minister Soares may relay complaints from Portuguese officials that the US has not followed through on promises to help re-equip the military and to promote defense industrial cooperation. Many officials believe the United States takes Portugal for granted and they may be reluctant to accept US military-related requests without greater compensation. Initial reactions to the US proposal to preposition Naval ships at Madeira Island, for example, suggest Lisbon wants more assistance than is being offered in return for agreement. Soares is an advocate of close bilateral cooperation, but has been criticized for being excessively subservient to the US and might feel compelled to back these demands. [redacted]

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Economic Issues

The US request for voluntary restraints on textile exports may be at the top of Soares's economic agenda. These are Portugal's most important export line, and the government almost certainly will be reluctant to accept limits that will curb growth and employment in the textile sector. The Portuguese also are keen to obtain US technology to support development of high tech sectors where they lack know-how. At Lisbon's initiative, the Luso-American Foundation was established this year to stimulate technical, scientific, and commercial cooperation. Although the transfer of US technology depends on private sector commercial deals -- such as the recent expansion of ITT operations -- some Portuguese officials are hoping that a newly created bilateral industrial commission will lead to increased US government technical assistance. [redacted]

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Foreign Policy

Central America

The Portuguese have historically been uninterested and generally uninformed about developments in Central America. Prime Minister Soares, however, through his role in the Socialist International, is keenly interested in events in the region and has helped to moderate the SI's positions on Central America. [redacted]

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Africa

Africa is the most important focus of Portuguese foreign policy after the US and Europe. Lisbon's interest in southern Africa derives from its colonial heritage, but the Soares government also has been a firm supporter of US policies there. Portugal has worked with the US to encourage Mozambique, Guinea Bissau, and Sao Tome to move closer to the West, and has supported efforts to achieve independence for Namibia and the withdrawal of Cuban troops

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from Angola. In order to wean the Lusophone African states away from their Marxist orientation, Portugal has undertaken modest military training programs for its former colonies, despite its own serious lack of resources [REDACTED]

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Africa, however, is the key area of foreign policy conflict between President Eanes and the Prime Minister. Although both agree that Portugal should play a role there, Eanes believes Portugal has risked damage to its own interests by identifying itself too closely with US policies in southern Africa. Eanes will visit Mozambican President Machel the last week of April at the latter's request. In addition to discussing bilateral issues such as military aid and restraining the activities in Lisbon of representatives of the Mozambican insurgent group, Machel reportedly wants to brief Eanes on developments in southern Africa before President Reagan's visit to Portugal.

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